

# Agency 16 - Department Of Revenue

## Statutory Authority:

The Nebraska Department of Revenue was officially created by the 1969 Legislature's enactment of Sections 77-360, R.R.S. 1943, effective on January 1, 1970, and the Tax Commissioner was designated as the Department's chief executive or director. The Tax Commissioner's office originated during the Constitutional Convention in 1919-1920. Article IV, Section 28, of the Constitution and Section 77-361 of the Revised Statutes of Nebraska, 1943, gives the Department of Revenue under the direction of the Tax Commissioner, jurisdiction and authority over the administration of all revenue laws of the state.

## Vision Statement:

The Department of Revenue will administer the revenue and lottery laws of the State in the most efficient and effective manner possible using current technology to more efficiently collect revenues via electronic means.

## Mission Statement:

The purpose of the Department is to administer the revenue and lottery laws of the State through a centralized collection of revenues in the most efficient and effective manner possible. In order to achieve this goal, the Department is expanding the use of personal computers, local area networks and ACH/EFT applications to handle the movement of information as fast and as reliably as possible. The Department continues to maintain and expand several data base applications which are now used to process the sales tax refunds on farm equipment and to handle the distribution allocations of several payments including the Municipal Infrastructure Redevelopment Fund (MIRF) and aid to cities payments.

## Goals:

1. Provide all taxpayers in the State the most efficient service in all areas of tax compliance and processing.
2. Provide the state adequate tax law enforcement for all tax categories, including Gaming and Motor Fuels.
3. Provide Revenue statistical support and research services to the legislature and other agencies of state government.
4. Implement new initiatives as directed by statute for property tax, gaming, finance and research, and motor fuels.
5. Pursue alternative tax filing methods to obtain easier and more timely filings.
6. Derive new Lottery products and delivery methods to raise funding for specified programs.

## Financial Data:

	Actual FY98	Approp FY99	Request FY00	Recom FY00	Request FY01	Recom FY01
General Fund	54,774,358	63,375,568	65,269,053	62,327,298	66,706,086	65,055,765
Cash Fund	17,805,886	18,836,458	20,164,457	20,152,509	20,528,674	21,002,426
Federal Fund	8,028	25,000	25,000	25,000	25,000	25,000
Revolving Fund	5,625	7,500	7,500	7,500	7,500	7,500
Other Fund	0	0	0	0	0	0
Total Agency	72,593,897	82,244,526	85,466,010	82,512,307	87,267,260	86,090,691

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## Program 013 - Tax Commissioner's Salary

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### Program Objectives:

Statutory authority of the Tax Commissioner is to serve as the chief executive office of the Department of Revenue. As CEO of Revenue, the Tax Commissioner is responsible for the development of policies and procedures for revenue collection at the state and local levels and is also responsible for the administration and collection of all state revenues as provided by law.

### Financial Data:

	Actual FY98	Approp FY99	Request FY00	Recom FY00	Request FY01	Recom FY01
General Fund	99,414	102,384	102,384	102,384	102,384	102,384
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Agency	99,414	102,384	102,384	102,384	102,384	102,384

### Performance Measures:

The goal of the Tax Commissioner is to operate the Department of Revenue in the most efficient, effective and economical manner possible while still achieving all the legislative mandates prescribed by statute. The goals and objectives outlined for the agency are the goals the Tax Commissioner is striving to achieve. Evaluation measures for this program are the accomplishment of the overall goals outlined for the agency in the agency narrative. The evaluation of these measures will be made by the Governor.

## Agency 16 - Department Of Revenue

### Program 102 - Revenue Administration

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#### Program Objectives:

The objectives of Revenue Administration (program 102) are 1) to administer the state's revenue laws through enforcement and collection activities, 2) to provide assistance to Nebraska Taxpayers, 3) to provide statistical information and projections of anticipated tax revenues to the Legislature and other interested parties. The Department directly administers all state tax revenues with the exception of liquor and insurance taxes. Audits are performed on selected taxpayers located throughout the nation to determine that all appropriate taxes are reported and paid the state. The Department maintains branch offices located throughout Nebraska as well as a toll free taxpayer assistance line.

#### Financial Data:

	Actual FY98	Approp FY99	Request FY00	Recom FY00	Request FY01	Recom FY01
General Fund	17,478,378	17,644,203	18,247,278	18,463,077	18,389,507	19,880,883
Cash Fund	173,383	175,000	175,000	178,406	175,000	184,701
Federal Fund	0	0	0	0	0	0
Revolving Fund	5,625	7,500	7,500	7,500	7,500	7,500
Other Fund	0	0	0	0	0	0
Total Agency	17,657,386	17,826,703	18,429,778	18,648,983	18,572,007	20,073,084

#### Performance Measures:

The program objective of this program is to provide fair and equitable tax administration and to collect state tax revenues in the most efficient and effective manner for taxpayers of the state.

## Agency 16 - Department Of Revenue

### Program 103 - Property Tax Administration

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#### Program Objectives:

- Objective 1: Provide measurement of level and quality of real property assessments to county assessors, the Tax Equalization and Review Commission, the county boards of equalization, and the Nebraska Department of Education.
- Objective 2: A state-wide sales data base of information developed pursuant to acceptable standards that measures the assessed valuation of real property by meaningful sub-strata of property.
- Objective 3: A network through which to provide information and to measure the progress made by county officials in achieving valuation goals of the Tax Equalization and Review Commission.
- Objective 4: Valuation and distribution of property valued by the state.
- Objective 5: Assumption of county assessment function.

#### Financial Data:

	Actual FY98	Approp FY99	Request FY00	Recom FY00	Request FY01	Recom FY01
General Fund	2,013,699	3,277,249	3,277,249	3,394,553	3,389,115	3,659,196
Cash Fund	576,970	690,467	789,967	711,384	789,967	801,197
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Agency	2,590,669	3,967,716	4,067,216	4,105,937	4,179,082	4,460,393

#### Performance Measures:

Reporting of verified sales and assessment information by the Property Tax Division staff and county assessors through entry into a data base that will stratify the information in a format usable by county and state officials.

Knowledgeable field staff assigned to specific counties who are trained in appraisal techniques and policy matters so as to be of assistance to the counties served.

Knowledgeable staff with skills in oral and written communication for the uniform interpretation and application of statutes. Also familiar in the policy areas of property valuation by taxing officials.

Professional trained staff knowledgeable in the areas of finance, economics research and issues specific to the valuation of multi-jurisdictional companies and issues effecting the distribution of values.

Operate the assumed county assessment offices to meet all administrative responsibilities timely and effectively through the use of trained staff.

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### Program 104 - County Property Tax Relief

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#### Program Objectives:

The County Property Tax Relief Program was created by LB 695 in 1998 and is found in Section 77-3618 R.R.S. The program is used to distribute money to county governments to provide property tax relief and equalize county capacity to pay for public services from property taxes. Funds are distributed on or before September 1 each year according to the formula created in this section.

#### Financial Data:

	Actual FY98	Approp FY99	Request FY00	Recom FY00	Request FY01	Recom FY01
General Fund	0	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Agency	0	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000

#### Performance Measures:

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## Program 108 - Homestead Reimbursement To Counties

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### Program Objectives:

This program provides property tax relief to special categories of homeowners through state funded reimbursements to local governments for property taxes not collected due to homestead exemptions granted.

### Financial Data:

	Actual FY98	Approp FY99	Request FY00	Recom FY00	Request FY01	Recom FY01
General Fund	35,182,867	36,851,732	38,142,142	34,867,284	39,325,080	35,913,302
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Agency	35,182,867	36,851,732	38,142,142	34,867,284	39,325,080	35,913,302

### Performance Measures:

This program provides for the reimbursement to counties of a limited homestead exemption from the General Funds for the revenue lost due to this provision of statutes. Payment is made to the counties from January to June. The program will be measured by the distribution of homestead payments in the most efficient and effective manner by the Department.

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### Program 111 - Motor Fuel Administration

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#### Program Objectives:

This program's objectives include:

1. administering all motor fuel tax programs, ensuring compliance with state laws;
2. providing assistance to taxpayers regarding motor fuels tax programs; and,
3. ensuring compliance with laws through an increased emphasis on collections, audit and investigation activities.

#### Financial Data:

	Actual FY98	Approp FY99	Request FY00	Recom FY00	Request FY01	Recom FY01
General Fund	0	0	0	0	0	0
Cash Fund	1,855,996	2,251,091	2,286,393	2,320,042	2,294,121	2,476,944
Federal Fund	8,028	25,000	25,000	25,000	25,000	25,000
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Agency	1,864,024	2,276,091	2,311,393	2,345,042	2,319,121	2,501,944

#### Performance Measures:

In order to meet the objectives of this program, the agency will perform the following:

1. work closely with taxpayers to correct inaccurate entries and resolve cross matching questions;
2. continue to increase the voluntary EDI filing rate from a current 13% to 50%;
3. expand on-site visitations by account representatives with a goal of reviewing 100 percent of the retailers within a three-year period;
4. audit three out-of-state suppliers each year;
5. conduct one audit in each Nebraska county over a five-year period; and
6. audit all refund claims requesting more than \$10,000.

## Agency 16 - Department Of Revenue

### Program 160 - Lottery Administration

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#### Program Objectives:

The mission of the Nebraska Lottery is to maximize Lottery ticket sales and to transfer a minimum of 25% of Lottery ticket revenue to the three recipient funds. Also, to provide a good entertainment option with a high level of integrity within the game structure, distribution channels and Lottery operations.

#### Financial Data:

	Actual FY98	Approp FY99	Request FY00	Recom FY00	Request FY01	Recom FY01
General Fund	0	0	0	0	0	0
Cash Fund	13,475,103	13,827,029	14,979,819	14,967,123	15,329,305	15,403,871
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Agency	13,475,103	13,827,029	14,979,819	14,967,123	15,329,305	15,403,871

#### Performance Measures:



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### Program 504 - Charitable Gaming

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#### Program Objectives:

This program's objectives include:

1. To regulate, license, and audit all activities associated with legalized charitable gaming;
2. To enforce and execute provisions of the following statutes: Nebraska Bingo Act, Nebraska Pickle Card Lottery Act, Nebraska Lottery and Raffle Act, and Nebraska County and City Lottery Act;
3. To maintain a high standard of athletic competition so that every contestant has an equal opportunity in competition;
4. To provide maximum safety for the protection of participants; and,
5. To ensure uniform conditions in all bouts in the state.

#### Financial Data:

	Actual FY98	Approp FY99	Request FY00	Recom FY00	Request FY01	Recom FY01
General Fund	0	0	0	0	0	0
Cash Fund	1,724,434	1,892,871	1,933,278	1,975,554	1,940,281	2,135,713
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Agency	1,724,434	1,892,871	1,933,278	1,975,554	1,940,281	2,135,713

#### Performance Measures:

The goals of this program are to:

1. Issue gaming licenses in a timely and accurate fashion; and
2. Review, monitor and regulate lawful purpose uses of gaming funds by licensed organizations.